

Service Date: February 22, 1978

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

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| IN THE MATTER of the Application  | ) |                 |
| of THE WASHINGTON WATER POWER     | ) | Docket No. 6554 |
| COMPANY for an Order Authorizing  | ) |                 |
| the Issuance of 250,000 shares of | ) | Order No. 4402  |
| no par Preferred Stock, Series A. | ) |                 |

On January 18, 1978, The Washington Water Power Company, hereafter called the Applicant, filed with this Commission its verified application pursuant to Sections 70-117.1 to 70-117.6, RCM 1947, requesting an order directing authorization of the issuance of 250,000 shares of no par Preferred Stock, Series A. The application with respect to this requested authorization is supported by exhibits and data in accordance with the prescribed rules of the Commission governing the authorization for the issuance of securities for electric or gas utilities operating as public utilities in the State of Montana.

It is alleged in the application that the preferred stock will be sold by negotiated public offering at the stated price of \$100 per share. Dividend rate, redemption provisions, and underwriters' commissions will be supplied by Amendment. Proceeds will be used to prepay \$24,000,000 of outstanding Notes to Banks maturing November 30, 1978.

It is further alleged in the application that the expenses, estimated to be \$154,000, and the underwriters' commissions will be paid from treasury funds.

Having fully considered the application and all the files and records pertaining thereto on file with the Commission, and being fully advised in the premises, the Commission makes the following:

## FINDINGS OF FACT

1. That the Applicant, The Washington Water Power Company, is a corporation organized and existing under the laws of the State of Washington and duly authorized to transact business in the State of Montana.

2. That the Applicant is operating as a public utility as defined in Section 70-103, RCM 1947, and as such is engaged in furnishing electric service in the State of Montana.

3. That the Commission has jurisdiction over the subject matter of said application under Sections 70-117.1 through 70-117.6 RCM 1947.

4. That the dividend rate, redemption provisions, and underwriters' commissions will be supplied by Amendment.

5. That the proceeds will be \$24,000,000.

6. That the expenses, estimated to be \$154,000, and the underwriters' commissions will be paid from treasury funds.

7. That the securities transaction proposed by the Applicant, as hereafter authorized, will be for a lawful purpose and is consistent with the public interest; that same is necessary or appropriate for and consistent with the proper performance by the Applicant of service as a public utility; that the aggregate amount of the securities outstanding and proposed to be outstanding will not exceed the fair value of the properties and business of the Applicant; and the proceeds will be used to prepay \$24,000,000 of outstanding Notes to Banks due November 30, 1978.

8. That public notice of the filing of said application was given by mailing to each of Applicant's Montana customers and no requests were received for a public hearing.

## CONCLUSION

The Commission concludes that the application of The Washington Water Power Company should be granted as hereafter ordered.

## ORDER

NOW, THEREFORE. at a session of the Public Service Commission of the State of Montana, held in its offices at 1227 Eleventh Avenue Helena, Montana, on February 22, 1978, there regularly came before the Commission for final action, the matters and things in Docket No 6554, and the Commission being fully advised in the premises;

IT IS HEREBY ORDERED:

1. That the application of The Washington Water Power Company for an order authorizing the issuance of 250,000 shares of no par Preferred Stock, Series A, is hereby approved, subject to the provisions of the Order, Findings of Fact, and Conclusion.
2. Neither the issuance of securities by The Washington Water Power Company pursuant to the provisions of this order, nor any other act or deed done or performed in connection therewith, shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized, issued, assumed or guaranteed hereunder.
3. The approval of this preferred stock offering shall not be construed as precedent to prejudice any future action of this Commission with regard to any security issue.
4. Issuance of this order does not constitute acceptance of the Applicant's exhibits or other material accompanying the application for any purpose other than the issuance of this order.

DONE IN OPEN SESSION at Helena, Montana, this 22nd day of February, 1978, by a 3 - 0 vote.

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Gordon E. Bollinger, Chairman

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James R. Shea, Commissioner

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George Turman, Commissioner

ATTEST:

Madeline L. Cottrill  
Secretary

(SEAL)

NOTICE:     You are entitled to judicial review of this Order. Judicial review may be obtained by filing within thirty (30) days from the service of this Order, a petition for review pursuant to Section 82-4216, RCM 1947.